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Central Intelligence Agency



Washington, D.C. 20505

## DIRECTORATE OF INTELLIGENCE

2 AUG 1985

MEMORANDUM FOR: (See Distribution List)

FROM:

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Chief, International Security Issues Division  
Office of Global Issues

SUBJECT:

International Arms Transfers Report 

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1. Attached is the June and July issue of the DDI publication entitled the International Arms Transfers Report. The report which is addressed to policy and intelligence officials concerned with arms transfers problems, will be issued bimonthly. It will contain an analysis of a key arms transfer issue and a summary of recent significant arms transfers by region.

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2. Comments and queries are welcome and should be addressed to the Chief, Arms Transfers Branch,

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Attachment:

International Arms Transfers Report  
GI M 85-10200C, July 1985 

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Washington, D. C. 20505

## DIRECTORATE OF INTELLIGENCE

International Arms Transfers Report  
June-July 1985Summary

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Libya's arms procurement activity over the past two months has emphasized making better use of existing weapons systems. Libya is negotiating with Western firms for spare parts and support facilities for its military aircraft.

## Other significant developments in June and July include:

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- o In the Middle East, Iraq continued to contract for and receive advanced weaponry from a variety of sources, notably the Soviet Union. Moscow sent at least eight and possibly 12 SU-25 ground attack aircraft to Iraq, the first shipment of this aircraft outside the Warsaw Pact.

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- o In Asia, North Korea received 16 MiG-23 aircraft from the Soviet Union

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- o In Sub-Saharan Africa, Angola, Ethiopia and Mozambique continued to receive military equipment from the Soviet Union.

- o In Europe, France approved new military contracts with Libya worth \$250 million. Recently released UK figures show that UK arms sales declined in 1984.

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- o On the Gray Arms Market, Libya remained an active supplier of weapons to insurgents. Colombian insurgents may have received SA-7 surface-to-air missiles

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NOTE: THE NEXT REPORT WILL BE PUBLISHED IN SEPTEMBER 1985

This report, prepared by the Arms Transfers Branch, Office of Global Issues, describes significant new developments concerning conventional arms transfers. It includes major agreements and deliveries, important construction projects, and related financial issues, but is not a complete listing of all arms transfers. Comments are welcome and may be addressed to Chief, International Security Issues Division,

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Key Issue

Libya: Improving Support for Combat Aircraft

Libya's arms procurement activity over the past two months has emphasized making better use of existing weapons systems. Libya is receiving from Western firms a large proportion of the spare parts and support facilities for its military aircraft.

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Libyan officials continue to press the French to approve the sale of Mirage 2000 aircraft, anti-radar missiles, and other sophisticated items to the Libyan Air Force. French government representatives, however, maintain that Paris will not approve the sale of these items as long as Libyan troops remain in Chad.

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o procurement agents approached representatives of the firm SABCA to see if the company could provide maintenance and support for Alouette and CH-47 helicopters. The firm might be able to parlay these contracts into more lucrative repair work on Libyan Boeing 707s and Mirage fighters. SABCA, however, would need US approval to sell the spare parts needed to maintain the CH-47s.

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Regional IssuesNorth Africa/Levant

Countries in North Africa and the Levant negotiated arms purchases from a variety of sources. Jordan, [ ] and Egypt joined Libya in continuing to seek alternative suppliers for jet fighters, tanks, and spare parts. [ ]

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Jordan. Amman signed a contract with Spain for 14 C-101 Aviojet trainers. Jordan originally wanted 18-20 aircraft, but budgetary problems reduced the size of the order. Madrid offered a no-interest \$8 million loan to help finance the purchase. [ ]

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Persian Gulf

Arms sales and deliveries to the region--particularly to Iraq--remained heavy during June and July. [ ]

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Iraq. Deals in advanced weapons have paced the heavy flow of arms sales and deliveries to Iraq since May. Key sources have included:

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[redacted]

[redacted]

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Iran and South Yemen acquired some and bid for other high-performance equipment during June and July:

o Iran.

[redacted]

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[redacted]

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[redacted] there have been discussions between the two countries about the heat-seeking PL-2 missile [redacted]

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[redacted]

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In order to use the PL-2 Iran would have to modify either the missiles or the aircraft that will carry them.

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[redacted]

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[redacted]

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Central America

In Central America, Soviet and Bloc deliveries of military-associated equipment to Nicaragua continued throughout June and July. However, no combat arms were delivered:

[redacted]

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[redacted] Romania provided its first assistance to the Sandinistas in mid-June, shipping

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[redacted]

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some 70 trucks and jeeps to the Nicaraguan Ministry of Defense.

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### East Asia

The Soviets delivered 16 of the 35-40 MiG-23 aircraft we believe North has ordered. China continues to modernize its armed forces with Western technology.

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North Korea. North Korea received its first fighter aircraft from the Soviet Union since 1972. Six MiG-23s arrived in late May and an additional ten in July. The new aircraft will bolster North Korea's fleet of aging Soviet and Chinese fighters. Their arrival puts P'yongyang a step ahead of Seoul in fielding a force of modern fighters.

Approximately 90 North Korean pilots have been trained on MiG-23s in the USSR since February--enough to man a complete regiment of 40 aircraft.

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China.

Scheduled for completion in early 1986, this ship and subsequent ships in the same class will test China's ability to integrate advanced military hardware. Western systems in the ships will include the British anti-ship missile detector radar MEL Matilda, Italian A-244 anti-submarine torpedoes, 100mm guns based on a French design, and indigenous anti-ship missiles similar to the Exocet. Beijing has offered such frigates for export, although operational deployment is probably several years away.

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### South Asia

India engaged in a wide variety of arms-related activities in June and July; Sri Lanka strengthened its armed forces to combat the Tamil insurgency.

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Sri Lanka. Sri Lanka bought six Italian Siai-Marchetti SF 260TP and six Swiss Pilatus PC-7 trainer aircraft in May, according to attache reports. Sri Lanka will arm the aircraft and use them

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in a light attack role.

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Colombo's Dvoras have no missile launchers, but their cannon and machine guns will enable them to intercept Tamil boats smuggling arms across the Palk straits.

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## Sub-Saharan Africa

Moscow continued to give security assistance to its three largest clients in sub-Saharan Africa--Angola, Ethiopia, and Mozambique--during June and July:

Angola. Angola received two MI-8 helicopters and four MiG-21 Fishbed fighter aircraft from the Soviet Union in early June.

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Ethiopia. Ethiopia continued to receive ground forces equipment from the Soviet Union, including at least 21 T-54/55 tanks, 25 BTR-60PB armored personnel carriers, 12 76mm ZIS-3 field guns, and six ZPU-4 AA guns. Moscow also sent an additional 50 utility vehicles and military-associated construction and transportation equipment.

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In early July, Ethiopia concluded a contract with Italy for 12 SF 260 tactical and reconnaissance aircraft . Negotiations for an additional 12 such aircraft and for five G-222 military transports are underway.

Mozambique. In late June Moscow delivered two SO-1 large patrol boats to Mozambique. This delivery, the first of its kind for Mozambique, coincided with Maputo's 10th anniversary of independence and may have been a gesture of continued Soviet support for the Machel regime.

Nigeria. [redacted] for help in financing, building, and supervising an ordnance plant, [redacted] This underscores Nigeria's continued efforts to diversify its sources of military equipment and to build a domestic weapons production industry. Recently, the Nigerians have shown their discontent with Soviet security assistance by seeking arms from other suppliers such as France. [redacted]

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Europe.

Figures recently made available indicate a decline in British arms exports in 1984. British sales to its biggest market, the Middle East, were down markedly. [redacted]

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United Kingdom. The United Kingdom exported \$990 million worth

of arms in 1984, [redacted] Overall, the 1984 sales were about 10% less than those in 1983, and sales to the Middle East--Britain's most important market--were down 38%. Although it is common for a state's arms sales to vary from year to year, the 1984 totals are, in our view, indicative of a long-term decline in British arms sales. Worldwide demand for arms is declining, and competition for sales has sharpened; financial competition has become particularly rough since sales to Third World clients frequently depend on offering the best financial package. Britain's economic troubles and outmoded arms financing system have left it ill-equipped to compete in this environment, although more aggressive sales efforts and privatization of arms producing companies may help to counter these problems. Britain's lack of a high prestige sales leader--such as France's Mirage-2000--has particularly hurt its competitiveness. Over the long term, further declines in British sales could increase the unit costs for systems purchased by UK forces. [redacted]

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### Gray Arms Market

Libya continues to be a source for insurgent groups seeking weapons. Tripoli may have sent weapons to both Colombia and the Philippines during the past two months. [redacted]

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### Colombia. [redacted]

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[redacted] insurgent groups in Colombia are receiving sophisticated weapons not previously available to them--including shoulder-fired SA-7 surface-to-air missiles--and that Libya might be the ultimate source of much of this ordnance. If substantiated, this information would mean a marked enhancement in the ability of Colombian insurgents to deny government forces access to vast areas of the country accessible only by air. It would also suggest greater ability to attack military aircraft near the capital, thereby undermining public confidence in the government. Similarly, possession of SA-7s would allow the insurgents to target civilian airliners. [redacted]

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India is purchasing 2500 Kalashnikov assault rifles and two million rounds of ammunition from a private arms dealer in Britain, [redacted] The Indian Government considers the deal very sensitive and has asked that the dealer keep records of the sale to a minimum. Both the rifles and the ammunition--reportedly manufactured in Hungary and now being inspected in Britain--are "sterile," without markings to indicate the country of origin. It is possible that these weapons are for counterterrorist units of the Indian Ministry of Home Affairs. However, the lack of markings, the confidentiality of the sale, and the departure from India's

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usual choice of European-designed small arms could indicate that the weapons are intended for passage to terrorist groups reportedly training in India. These may include Tamil insurgents opposed to the government of Sri Lanka.

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